

HOUSE BILL 486
By Overbey

AN ACT to amend Tennessee Code Annotated, Title 56,
relative to credentialing of healthcare providers by
health insurance entities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 1, is amended by
adding the following as a new, appropriately designated section:

56-7-____

(a) A health insurance entity as defined in § 56-7-109, will allow physicians to submit credentialing applications (including, as relevant, licensure and hospital privileges or other required information) and shall begin to process such applications prior to the time that the physician formally changes or commences employment or changes location, provided that the physician must represent that he or she has new employment or intends to move to a new location.

(b) A health insurance entity as defined in § 56-7-109 shall process submitted applications and shall notify the physician within ninety (90) days that the physician has either been credentialed or has been denied credentialing. If the physician has not been notified that such physician's credentialing application has been denied within ninety (90) days, the health insurance entity is required to begin reimbursing the physician at the participating network rate for medical care rendered after ninety (90) days from the date that a physician's credentialing application is submitted to the health insurance entity, or the actual date of credentialing, whichever comes first. For purposes of this section, submitted

means the date of signature of receipt by the health insurance entity if the application is submitted by certified mail return receipt requested or by the electronic notification of its receipt by the health insurance entity or its credentialing agent.

(c) If the credentialing application is ultimately denied by the health insurance entity for good cause shown, then the duty to reimburse the physician as a network provider shall not apply and it is the obligation of the physician to reimburse the health insurance entity any and all payments made within thirty (30) days of notification of denial.

(d) All reimbursements owed to physicians in this act shall be made in accordance with § 56-7-109. A physician who fails to reimburse the health insurance entity within thirty (30) days of notification of denial shall pay an additional one percent (1%) interest per month, accruing from the day after the payment was due, on the amount that remains unpaid.

SECTION 2. The commissioner of commerce and insurance has the authority, if deemed necessary, to promulgate public necessity rules in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 3. This act shall take effect on July 1, 2005, and shall only apply to those credentialing applications submitted on or after that date, the public welfare requiring it.